

MEETING OF THE BOARD OF FINANCIAL INSTITUTIONS

June 12, 2012
11:30 a.m.

Minutes

BOARD MEMBERS PRESENT:

Bill Tingey, Rick Beard, Kip Cashmore, Louise Kelly, and Commissioner Ed Leary. Dennis Hymas was excused.

DEPARTMENT OF FINANCIAL INSTITUTIONS STAFF PRESENT:

Michael Jones, Paul Allred, and Sonja Long

1. Call Meeting to Order – Commissioner Ed Leary

2. Minutes -

One change under item #5, in the second sentence, add “of” so that the sentence reads ‘First of all’. With that change Kip made the motion to accept the minutes, Louise seconded the motion. It was unanimous.

3. Open Meetings Act training – Paul Allred

We are changing the agenda a bit, Commissioner Leary explained that the Governor’s office would like us to annually review the Open and Public Meetings Act. Paul gave a handout, he went through the handout.

3. Budget - Michael Jones

He gave out his handout on the budget. His financials are as of May 31, 2012, that leaves only one month left in the fiscal year. He pointed out to the board that the department had replaced the cell phones for the supervisory staff. We went from blackberry’s to iPhones. Michael also said that there would be some one time only charges coming through in June. He replaced the desk chairs for the office staff. We also have a couple of year end expenses. The association fees for the associations that we belong to are paid in June of every year. Louise Kelly asked what those are based on, Michael said that those are based on assets under supervision. He expects the expenditures to go up about \$500,000 in June.

4. Out of state travel – Michael Jones

Michael gave out his out of state travel handout. The bolded items are new or revised since the last board meeting. The level of travel is about what Commissioner Leary expects it to be right now. The follow-up exams that we are doing more of are even

trailing off, so going forward we could expect a slight decrease in travel. Also, the mere fact that we are down a few examiners so it might be a while before we see that come back up.

5. Current topics – Commissioner Leary

- The improving economic conditions in Utah we are seeing in the improving conditions of our financial institutions. He wishes that he had the capacity to do more analysis of payday lending to see if during a downturn the use went up or what. Kip Cashmore said that it went up nationwide, substantially. He said that their qualifications stay the same regardless and their collections got better. Across the board, Utah is generally improving. There was a discussion on how the banks have done and are doing in Utah.
- We have had an increasing problem of examiner turnover. We went back 18 months and have lost 10 during that time. Over the last 5 months we have lost 7. He broke it down:

- 4 – Banks
- 3 – Federal Reserve
- 2 – Retirements
- 1 – Death

We are in the process of hiring as we speak. 184 people applied about 100 sat for the written exam. 26 people came in for the oral examination. There was a brief discussion on the background of those applying. We are looking at hiring up to nine people.

- The Governor has decided to make some changes in how he conducts cabinet meetings. He wants to go to once a quarter for the full cabinet and then monthly meetings among sub groups. One of the sub groups is business and regulatory and he has Commissioner Leary to be the facilitator of that group. There will be eight agencies involved in this group, Commerce, Environmental Quality, Financial Institutions, Food and Agriculture, Governor's Office of Economic Development, Insurance, Labor Commission, and Natural Resources. The first meeting of this group is scheduled for next week.

6. Other business –

The interaction with the CFPB was discussed.

Real Estate recovery in Utah was discussed.

7. Next meetings – September 12, and December 11, 2012.